

The President's Daily Brief

23 May 1973

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THE PRESIDENT'S DAILY BRIEF

23 May 1973

PRINCIPAL DEVELOPMENTS

[REDACTED] Conference on Security and
Cooperation in Europe. (Page 1)

25X1

25X1

In the last few days, pressure on the dollar appears to have been coming from US traders and Middle Eastern sellers. (Page 3)

The Communists appear to have launched an offensive designed to take the Cambodian Government's Mekong River base at Neak Luong. (Page 4)

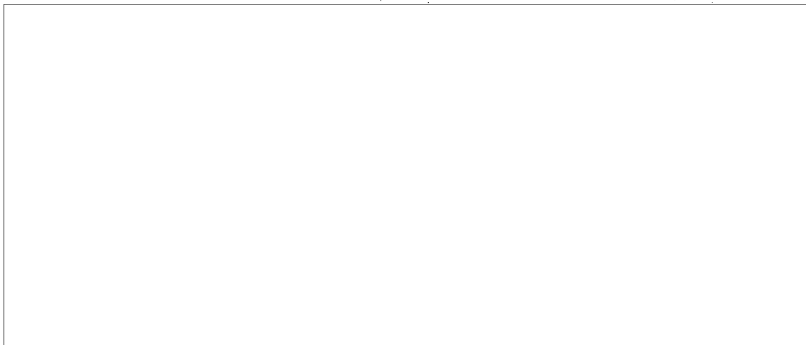
There is heavy fighting in South Vietnam around Kontum City, resulting from a government effort to clear Communist forces from the area. (Page 5)

The North Vietnamese Government appears to be putting increasing emphasis on reconstruction. (Page 6)

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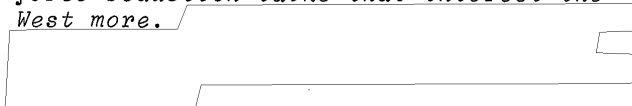
USSR



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The Soviets first raised the idea of a month's lag between CSCE and MBFR in recent talks with Dr. Kissinger. At that time they spoke of an end to CSCE in September, and of possible MBFR negotiations in October.

The Soviets have always attached primary importance to CSCE, rather than to the force reduction talks that interest the West more.

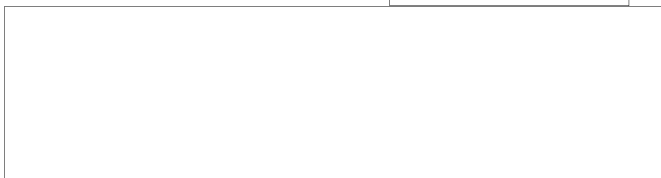


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Most Western allies believe, however, that only while CSCE negotiations are still going on will the Soviets have an incentive to move ahead with MBFR.

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INTERNATIONAL MONETARY DEVELOPMENTS

Swiss bankers and other currency dealers say that large New York banks and other US corporations made heavy dollar sales in the last few days for Swiss francs. Other European bankers are claiming that most of the pressure on the dollar is coming from sellers in the Middle East who are shifting their holdings into gold.

The dollar recovered only slightly yesterday in light trading on European money markets, in a day of profit-taking. Reacting to the uneasiness in Europe, traders in Tokyo pushed the dollar down to its lowest level relative to the yen in two months.

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CAMBODIA

The Khmer Communists appear to have begun an attack designed to take the government's Mekong River base at Neak Luong. They probed government defensive positions on three sides of the town early on May 22 and rocketed its center. After US air strikes enemy activity subsided. Other Communist units struck government positions on the Mekong midway between Phnom Penh and Neak Luong on the same day, causing the evacuation of one government brigade from the area. The Communists are also preparing for attacks on the junction of Routes 3 and 4 in the vicinity of Phnom Penh.

Should Neak Luong fall, the capital's Mekong River supply route would be effectively closed. In such an event, the Communists could be expected to increase their efforts to cut Phnom Penh's overland supply routes.

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SOUTH VIETNAM

A US officer in Kontum City reports that there has been "heavy fighting" between South Vietnamese regulars and Communist forces about ten kilometers northwest of the city for more than a week. The South Vietnamese have not referred to the fighting in their daily briefings, [REDACTED]

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MR-2 commander General Toan has brushed aside attempts by the acting US Consul General in Nha Trang to discuss the situation in the area, describing the action as "light." He reportedly has, however, requested permission from Saigon to conduct air strikes against an 80-truck enemy convoy carrying an estimated 2,400 troops spotted about 25 miles to the northwest, moving toward the fighting.

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NOTES

North Vietnam: The North Vietnamese evidently are putting increasing emphasis on reconstruction goals. Billboards have appeared in Hanoi urging young men to join "reconstruction brigades." The signs apparently replaced military recruitment posters, which suggests that the construction program has a higher priority than conscription. The North Vietnamese Army apparently will play a leading role in the rebuilding program. An editorial of May 16 in the army newspaper referred to local militia and self-defense forces as the first military units to join in the recovery effort. The editorial urged these units to take on especially difficult and long-term work such as land reclamation and irrigation projects.

China:

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